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MS Mail

DATE-TIME 24 November 95 18:32
FROM Gray, Wendy
CLASSIFICATION ~~CONFIDENTIAL~~
SUBJECT meeting memo [~~CONFIDENTIAL~~]
TO Maxfield, Nancy H.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY
here it is!!
[[BLAIRMTG.DOC : 4656 in BLAIRMTG.DOC]]

ATTACHMENT
FILE DATE 24 November 95 18:31

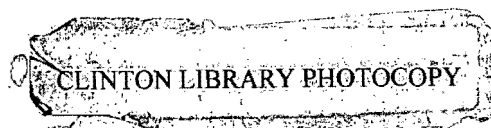
ATTACHMENT
FILE NAME BLAIRMTG.DOC
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Reason: 1.5(b)
Declassify on: 11/20/05
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MEETING WITH
LABOUR PARTY LEADER TONY BLAIR

I. KEY OBJECTIVES

- ù Establish a relationship with a possible future British prime minister.
- ù Probe Blair's thinking on the future of Anglo-American relations under a Labour government.
- ù Assure Blair NATO enlargement will be a gradual, deliberate process that will take Russian sensitivities into account.
- ù Stress importance we attach to the European Parliament's ratification of the Turkey/EU Customs Union.

II. CONTEXT OF THE MEETING

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2009-8816-m
ms 10/12/12

Given his party's huge lead in the polls, Labour Party Leader Tony Blair stands an excellent chance of becoming Britain's next Prime Minister, in the spring of 1997 if not earlier. He has long been an admirer of your policies.

Pragmatism is the hallmark of Blair's approach. Since he became party leader in the summer of 1994, Blair has accelerated Labour's move to the political center, notably ending the doctrinal commitment to nationalization and further curbing trade union influence within the party. On a number of issues, including law-and-order, there is now very little daylight between Labour and the Conservatives. Party left-wingers are uneasy at this strong shift to the center but are prepared to swallow their complaints in the interests of getting Blair elected. However, divisions may reemerge if and when Blair assumes power.

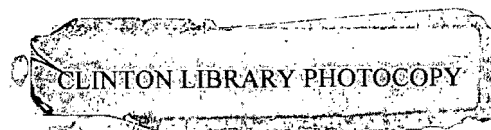
Foreign policy is not Blair's strong suit, but party leadership has generally moved over the past few years to adopt centrist, mainstream positions. Our sense is that a change in government would not bring with it major shifts in British foreign policy. Labour is solidly pro-U.S., although perhaps not as demonstratively so as the Conservatives. One problem area may be NATO enlargement, because Shadow Foreign Secretary Cook has been particularly concerned about Russian sensitivities. However,

Cook was less negative after a recent discussion of the issue with Tony Lake, and Blair himself is said to be "more relaxed on expansion" than Cook, but the shadow foreign secretary will be key in shaping Labour's position. On Northern Ireland, Blair has followed Major's policies and generally avoided specifics.

You should use the meeting to stress the importance we attach to the European Parliament's (EP) approval of the Turkey/EU Customs Union. Blair strongly supports passage of the Customs Union. He has energized Cook as well as Pauline Green, the leader of Labour's delegation to the EP, who is quietly trying to garner support among her rank and file. The Socialist group in the EP is divided on this issue, and the

outcome remains uncertain, although recent efforts by Blair and Felipe Gonzalez give grounds for cautious optimism.

TALKING POINTS FOR MEETING WITH TONY BLAIR



Pool Spray

- ù Look forward to useful meeting with Labour leader Tony Blair. Hope to discuss major issues including including Bosnia.
- ù Also expect to talk about European security and economic issues.
- ù Will be interesting to compare notes on political and social situations in UK and U.S.

UK Domestic Politics

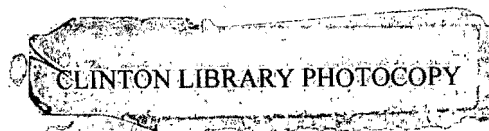
- ù How will domestic political debate unfold in run-up to next general elections? Which issues most important to voters?
- ù How might Labour government's approach to foreign policy differ from current government? How do you view UK's role in EU and future EU enlargement?

Bosnia

- ù Have worked very closely with the government on Bosnia, especially over last few months.
- ù Agreement signed in Dayton is critical milestone but need to continue to cooperate to implement it.
- ù In the end I expect to win the battle with Congress on deployment.

European Security Architecture

- ù In long term, important issue facing us is development of new European security architecture and Russia's role.
- ù Working to develop security architecture to encompass all of Europe, including Russia, in cooperative system. New system would logically include NATO membership for European states that desire and qualify.
- ù Share your concern on Russia's role. Our approach clear: proceed with NATO enlargement, while simultaneously



pursuing close, cooperative relationship with Russia.

ù NATO enlargement process, as part of broader European security architecture, carefully thought through. Development has been gradual and transparent. Promises security for transatlantic area into next century.

Turkey/EU Customs Union

ù Turkey's strategic importance to West undisputed. European Parliament (EP) to vote soon on Turkey/EU Customs Union. Critical opportunity to strengthen Turkey's ties to the West.

ù Coalition government has staked future on achieving Customs Union. Will face electorate only two weeks after EP vote.

ù Appreciate your support for Customs Union. Support of Labour MEPs critical for passage. Hope you will continue to help.

ù Northern Ireland

ù Your support for Major's Northern Ireland policy is helpful to the process. Would you do anything differently if it were your policy?

ù How do your voters see Northern Ireland?

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THE PRESIDENT HAS SEEN

4/12/96

2401

THE WHITE HOUSE

WASHINGTON

MEETING WITH
BRITISH LABOUR PARTY LEADER TONY BLAIR

DATE: April 12, 1996

LOCATION: Oval Office

TIME: 10:45 - 11:05 a.m.

FROM: ANTHONY LAKE

I. PURPOSE

To deepen your acquaintance with Blair, who appears likely to be the next prime minister of the UK. You last saw him in London in late November.

II. BACKGROUND

Prime Minister Major will have to call elections by the spring of 1997, sooner if his fragile majority in Parliament deteriorates further. Labour is showing a consistent lead of 20-30 percentage points in the polls, but Blair has not forgotten Major's surprise victory in 1992.

Blair is personally responsible for moving his party to the center in order to appeal to the middle class. He speaks of broadening the Thatcher revolution rather than dismantling it. His speech to the Labour Party conference last fall -- in which he announced that Labour had already made a deal with British Telecom to link every school, library and hospital to the information superhighway for free in return for greater market access -- was hailed as a virtuoso performance.

The U.S.-UK bilateral relationship would change little under a Blair government. Labour has been less opposed to further European integration than the Tories, but the EU's lack of solidarity with Britain over the "mad cow" disease scare may have disenchanted Labour at least temporarily. (The EU Commission continues to ban British beef exports even after the UK announced its plan to slaughter one-third of its herd over a six-year period.)

In addition to domestic politics, Blair will want to discuss European security and integration issues and Northern Ireland. When he came for Ron Brown's funeral on Wednesday,

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Dick Spring emphasized to me how important it is that the enabling legislation for the May 30 election in Northern Ireland move through Parliament without pro-unionist amendments. You should raise this with Blair.

III. PARTICIPANTS

U.S.

The President
The Vice President
Secretary Christopher
Secretary Rubin
Anthony Lake
Nancy Soderberg
Daniel Tarullo
Rudolf Perina (State)
Mary Ann Peters

UK

Tony Blair
Jonathan Powell, Chief of Staff
Ambassador Kerr
Alastair Campbell, Press Secretary
Anji Hunter, Private Secretary

IV. PRESS PLAN

White House photographer

V. SEQUENCE

Photo opportunity followed by short meeting.

Attachment

Tab A Points to be Made
Tab B Bio

POINTS TO BE MADE FOR MEETING WITH
BRITISH LABOUR PARTY LEADER TONY BLAIR

Political Situation

- Your polls remain extraordinarily strong; what is your latest assessment on the timing of the next election?
- What will be the main issues for the British voter?
- U.S. and UK have many concerns in common, including issues related to employment and education.

Northern Ireland

- Believe your non-partisan approach to Northern Ireland has been courageous and helpful to peace process.
- Critical phase as we approach date for start of negotiations on June 10.
- Have called for restoration of cease-fire at every opportunity -- Tony continues to press in his contacts as well.
- Important that parties participate fully in the process leading to talks and not boycott parts they don't like. If nationalists won't participate in the elected forum, unionists may boycott negotiations.
- Understand legislation will be introduced in Parliament next week to hold election in Northern Ireland on May 30. What are chances for quick, clean passage? (Note: Nationalists fear that pro-unionist Tories will seek to amend the bill to make it more to Trimble's liking. This would be a setback. Major needs Labour votes in support.)
- Will continue to support peace process through our diplomatic efforts, influence with parties.
- Pleased with our relationship with unionist leaders, who now understand that our goal is lasting peace, not any particular outcome.

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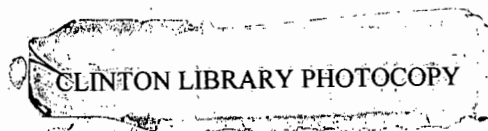
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M 10/19/12

- Peace process lost great friend in Ron Brown -- will continue support for trade and investment he pushed so hard. Commerce will sponsor a conference in Philadelphia in September.

European Issues

- What are Labour views on greater European integration (monetary union, majority voting, institutional reform)? Do you have any "Euro-skeptics" like Major has?
- Hope Intergovernmental Conference (launched in Turin last month) will strengthen EU as interlocutor for U.S. and lay foundation for EU's eastward enlargement.
- Leave for Asia Sunday; then on to Russia for Nuclear Summit.
- Important that West take steady, gradual approach to NATO enlargement. Russians skittish; need to keep explaining to them how this can be managed in way that will not undercut Russia's security.
- Also important to build meaningful NATO-Russia relationship. Cooperation in Bosnia should serve as model.



THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with British Labour Leader Tony Blair
(U)

PARTICIPANTS: U.S.
The President
Warren Christopher, Secretary of State
Anthony Lake, Assistant to the President for
National Security Affairs
Robert Rubin, Secretary of the Treasury
Leon Panetta, Chief of Staff
Nancy Soderberg, Deputy Assistant to the
President for National Security Affairs
Rudolf Perina, Deputy Assistant Secretary of
State for European and Canadian Affairs
Mary Ann Peters, Director for European
Affairs, NSC Staff, Notetaker

UK
Tony Blair, Leader of the Labour Party
Sir John Kerr, Ambassador to the U.S.
Jonathan Powell, Chief of Staff
Alastair Campbell, Press Secretary
Anji Hunter, Private Secretary

DATE, TIME April 12, 1996, 11:00-11:30am EDT
AND PLACE: The Oval Office

The President: I have just talked to Chirac and Kohl about the G-7. Is there anything new on Northern Ireland? Where are we on the legislation for the election? (C)

Mr. Blair: The legislation will go through. I think all the parties will participate in the election. The key question is whether the IRA will call the cease-fire. If not, it will be terrible. From our perspective we do not want to put the government in the position to be so beholden to the UUP that it cannot move on Northern Ireland. (C)

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We have a clear path with the Mitchell Principles. The only condition is the cease-fire; the talks would have to focus on decommissioning but that is not an absolute precondition. It is all there if they get the cease-fire back; if not, we will have to carry on with the process. It will be difficult and it is important to reinforce the message with Sinn Fein. If the Irish nationalists and SDLP are both saying they should get into talks, it does not make sense for them to do otherwise. To be fair to John Major, he has moved quite a way in setting a date. That is as far as he can go. ~~(C)~~

The President. Will Trimble seek to amend the election law? ~~(C)~~

Mr. Blair: No one is going to mess around with it. If we did, we would find we couldn't take it forward. We will keep our bipartisan approach so we will have credibility when we are in government. ~~(C)~~

The President: That is the smart and rational position. What have you been doing here? ~~(C)~~

Mr. Blair: I visited Wall Street yesterday and saw the hard-faced men of banking. (U)

Ambassador Kerr: Watch out, Secretary Rubin is here.
(U)

Mr. Blair: It is important to reassure the business community. We had very good results in the by-election yesterday. And it is great to be here. It has been a good visit. The economic numbers are good here. ~~(C)~~

The President: I think they will hold. Whenever there is good news about employment, Wall Street and the bond market react negatively -- the sky is falling because people are going to work. It is hard for us to grow any faster than we are because of where we are in the business cycle. I am glad we are seeing some growth in Japan after three miserable years. It was a long dry spell. (U)

Our unemployment is only 5 1/2%, a point lower than the long-term average, but workers are insecure about downsizing. They see corporate layoffs and get nervous even though most of them work for small businesses. Yesterday we proposed a plan for pensions over and above Social Security; employees would be able to take it with them if they change jobs. It would be tax-free and could be used for retirement, education or first-time home buying. What is important is lifetime access to education and training.
~~(C)~~

Mr. Blair: We say that "old" Labour would have resisted change and the Right will take away all supports. We need to equip people to succeed since you cannot roll back the world economy.

~~(C)~~

The President: The increasing inequity is part of the structural change. Our era is similar to the Industrial Revolution when great fortunes were made but immigrants lived in squalor. Of course, things aren't as bad, but it is the same kind of era. The lower half of wage-earners have not gotten a raise in real terms in 15 years. Of course it is not the same half. We need to find ways to add to the value of labor by re-educating the existing workforce. I heard a speech by a high-tech company executive in which he said that, much as we need a better educational system, the most pressing need is for retraining the existing workforce. ~~(C)~~

Mr. Blair: How do you put the message of equity and justice across without people seeing increased taxes behind it? ~~(C)~~

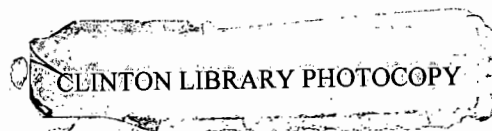
The President: One way is to use the tax code to get the private sector to do more, for instance in the inner cities, which are plagued by unemployment and social pathologies. We are trying "empowerment zones" in which some cash and tax credits leverage business development. Before it became an empowerment zone, Detroit's unemployment was over 8%; it is now 3.9%. With \$100 million and tax credits for a total of about \$350 million, we leveraged \$2 billion in investment. ~~(C)~~

Mr. Blair: Very interesting. (U)

The President: We had a competition. The Vice President set up the process with Henry Cisneros. It forced communities to come up with a plan. You simply cannot raise enough tax dollars to succeed; you have to have the private sector. For instance, the tax code will give companies a credit if a worker has to be trained for a new job, but the United Technologies chairman said that his company will pay up to \$11,000 a year for any degree program. They see an obligation to help their employees, who are helping them now by working there and may have to "help" them later by leaving. No one has solved the essential problem. The French have 12% unemployment and even 3% growth won't create jobs. ~~(C)~~

Mr. Blair: If you use the tax code, you are showing that you get something back for it. ~~(C)~~

The President: 700 communities competed for the empowerment zones. I have heard many times that even those who did not win



found the process helpful -- they learned that development has a micro as well as a macro aspect. ~~(C)~~

On foreign policy, we have the Bosnia Donors' Conference and the OSCE elections coming up, which are both important for the long term in Bosnia. ~~(C)~~

Mr. Blair: We are all saying the same things--we cannot opt out of these responsibilities. ~~(C)~~

-- End of Conversation --

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3854

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Private Meeting with Prime Minister Blair and British Cabinet (U)

PARTICIPANTS: The President
William Daley, Secretary of Commerce
William Crowe, Ambassador to the UK
Samuel Berger, Assistant to the President for National Security Affairs
James Steinberg, Deputy Assistant to the President for National Security Affairs
Mary Ann Peters, Director for European Affairs, NSC (Notetaker)

Prime Minister Blair
John Holmes, Private Secretary to the Prime Minister for Overseas Affairs
Members of the British Cabinet

DATE, TIME May 29, 1997, 11:40 a.m. - 12 noon
AND PLACE: The Cabinet Room, No. 10 Downing Street

Prime Minister Blair: (Following introductions of Cabinet members)

P1(b)(1)

P1(b)(1)

The President: I am delighted to be here. I admire what you did for the party; it is important to have the freedom to capture the center and move into tomorrow. (C)

Prime Minister Blair: P1(b)(1)

P1(b)(1)

The President: There are some leaders like the prime ministers of the Netherlands and Portugal who have the same ideas. (C)

Prime Minister Blair: P1(b)(1)

P1(b)(1)

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The President: Kok was talking about France; they are not ready yet to do what is needed. The UK, the Netherlands and the United States have good social compacts that make the country work; in the United States we need to maintain competitiveness while looking out for people. Millions can't cope with work and family; and these are the people who face education and safe streets and health care challenges. If you succeed, and I think you will, constructive change will have to take place. France and Germany need to balance social programs and global realities; a different version of that problem faces us all. (C)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: It is interesting how a currency acquires a life of its own -- it has become the litmus test for France and Germany, though the underlying changes have not taken place. (C)

(Cabinet meeting adjourned, discussion continued with Chancellor of Exchequer Brown.)

Mr. Brown:

P1/(b)(1)

P1/(b)(1)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: I agree with that. (C)

Mr. Brown:

P1/(b)(1)

P1/(b)(1)

Prime Minister Blair:

P1/(b)(1)

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The President: We cut government employment by 300,000. It is now the smallest since the Kennedy Administration and, on a per capita basis, the smallest it has been since 1933. We have direct transfers to social security and to state and local governments. You could be helpful with the difficulties within France and Germany with regard to social spending. At least in Germany they spend the money better, on long-term training; in France people are paid to stay unemployed for very long periods.

(C)

Mr. Brown:

P1/(b)(1)

P1/(b)(1)

The President: There is one thing to look at. I know the United States are different than EU member nations, but you would be interested in how far big states can go in having different financial policies. New Jersey is an example -- it proved you can raise the minimum wage and create more low-wage jobs. I used this experience to justify our raising the minimum wage. But unemployment will go up if the rise is too big. Your unemployment rate is lower than other Europeans' because of your flexible system. (C)

Mr. Brown:

P1/(b)(1)

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The President: If the culture says it is no longer necessary to have a marriage to have children, then that means single parents should have to work. (C)

-- End of Conversation --

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3854

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Restricted Meeting with British Prime Minister Tony Blair (U)

PARTICIPANTS: The President
William Crowe, Ambassador to the UK
Samuel R. Berger, Assistant to the President for National Security Affairs
Mary Ann Peters, Director for European Affairs, National Security Council (Notetaker)

Anthony Blair, Prime Minister
Sir John Kerr, Ambassador to the U.S.
John Holmes, Private Secretary to the Prime Minister
Jonathan Powell, Chief of Staff to the Prime Minister

DATE, TIME May 29, 1997, 12:00-12:30 p.m.
AND PLACE: No. 10 Downing Street, London

Prime Minister Blair: Should we work through our cards? (U)

The President: If you see me with all the cards they give me, you know it is going to be a long meeting because I have not done my homework. If I do it, I reduce it to this one card. (U)

With regard to Northern Ireland, I would like to tell you that when it comes time that you think it would be helpful for us to say something about a cease-fire or decommissioning, let me know. We may have to wait for the Irish election. I have some pull and can call in chits; just let me know. (C)

Prime Minister Blair:

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The President: I will think about the parade problem. The conflict reminds me of the Middle East. Do you have a resolution in mind? (C)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: One problem is that the people are farther along than the leaders. For people like Sinn Fein and Ian Paisley, the conflict is their whole life. (C)

Ambassador Crowe: At Drumcree, however, all those peace-loving people went indoors and shut their blinds. (U)

The President: Those were the same people in the streets cheering us -- they need leadership. (C)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: Some of my rich yuppie friends cancelled trips to Belfast to play golf. (C)

Ambassador Crowe: The President has been strongly supportive of investment in Northern Ireland. (C)

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3

The President: You need a place for the politicians to go to be relevant. They have to have a life and an identity other than their ability to stop the process. With Paisley, I think it is personal. With Sinn Fein they almost made the decision to go ahead without violence before they were ready to accept the possibility of an adverse outcome. You've got it right with a guarantee of some connection to Ireland. I have listened to them talk and I think that if there were no political leaders, we could get the people to agree. (C)

Mr. Holmes:

The President: Sinn Fein needs to be on board with the substance of the resolution, whatever the details of the relationship to Ireland. What is the role for the DUP and Paisley? If we leave the extremes out, they can undermine the solution. I was struck by that when I met Paisley. I didn't get a word in edgewise for 20 minutes, but I didn't care. (C)

Mr. Holmes:

The President: You mean if you give them a meaningful devolved government? (C)

Mr. Berger: We are maintaining contact with the unionists -- I called Trimble recently. (C)

The President: He is impressive. (C)

Ambassador Crowe: But not at Drumcree. And the SDLP needs Sinn Fein in the talks so they cannot criticize the compromises Hume makes. (S)

The President: You know where we are. If there is anything I can do, let me know at the right time. (C)

Mr. Berger: Mo Mowlam was over last week and we had a great meeting. (C)

The President: She is good, great on TV. Her happy face inspires confidence. She seems solid and not full of herself; you don't need another person over there posturing like a peacock. (C)

Prime Minister Blair: I will tell her that. (C)

-- End of Conversation --

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3854

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Luncheon with British Prime Minister Blair
(U)

PARTICIPANTS: The President
William Crowe, Ambassador to the UK
Samuel R. Berger, Assistant to the
President for National Security Affairs
John Podesta, Deputy Chief of Staff
Daniel Tarullo, Head of the National
Economic Council
James Steinberg, Deputy Assistant to the
President for National Security Affairs
E. Anthony Wayne, Deputy Assistant
Secretary of State for European and
Canadian Affairs
Mary Ann Peters, Director for European
Affairs, National Security Council
(Notetaker)

Prime Minister Blair
Sir John Kerr, Ambassador to the U.S.
Alistair Darling, Chief Secretary, Treasury
Colin Budd, Cabinet Office
Alex Allan, Principal Private Secretary
to the Prime Minister
Jonathan Powell, Chief of Staff
Philip Barton, Assistant Private Secretary
for the Prime Minister
John Holmes, Private Secretary for Overseas
Affairs

DATE, TIME May 29, 1997, 12:30-3 p.m.
AND PLACE: No. 10 Downing Street, London

The President: We should talk about NATO. I have the impression that most leaders in Paris are in favor of a group of five, adding Romania and Slovenia to the other three. We have reservations about that. Italy feels strongly about Romania for southern balance; the current problems like Bosnia are on their flank and not near Poland. Some, like Kok, are tenuous about

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Romania. Our first concern is that the first shall not be the last -- we have said that all along. That is why we need aggressively to build on PFP for future members. If there are five, no one will believe in a second round and we will be under greater pressure to reassure them publicly. This could lead Russia to think that we are committed to Baltic membership. We don't want any grey zones, but the open door must be credible. That may not be as satisfying, but it may be the proper thing to do. (C)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

Ambassador Kerr:

P1/(b)(1)

Mr. Berger: They're shifting because of Slovenia and because they are grateful for Romania's deal with Hungary. (C)

The President: I see Kohl next week; he should know where you are on this. (C)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

Mr. Berger: We need to be reassuring and embracing in our language; perhaps not using the example of waiting room. (C)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

Mr. Berger: One way is to emphasize self-selection. (C)

The President: We are working on it and thinking of the package we can put forward. Bill just whispered, "Are Romania and Slovenia ready? This is a military alliance." (C)

Ambassador Crowe: You need to make the judgment in the military context. (C)

The President: We have a disagreement with our partners on the continent but I am sure a larger group would turn up the heat on the Baltic issue and we are not prepared to handle that yet. This is a problem that needs time to sort itself out; we need to give it a few years. If you give it away now, you have nothing to fill the time. (C)

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Prime Minister Blair:

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Mr. Holmes:

P1/(b)(1)

P1/(b)(1)

The President: What argument did they make? (C)

Mr. Holmes:

P1/(b)(1)

Ambassador Kerr:

P1/(b)(1)

P1/(b)(1)

The President: I would have thought that, but the republican caucus actually favors letting in more countries. I don't want to misrepresent the Hill; I think the republicans will follow their leadership on this. Some are against enlargement because of the fear of provoking a nationalist response in Russia -- that is a silly argument. (C)

Prime Minister Blair:

P1/(b)(1)

Mr. Berger: New polling data shows that NATO is just not a grass-roots issue in Russia. (C)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: What do you think about the Iranian election?

(C)

Ambassador Kerr:

P1/(b)(1)

P1/(b)(1)

Mr. Budd:

P1/(b)(1)

The President: That is where we are. We hope things will get better. It concerns me that we are getting to the point that there are no Western-educated politicians in the government. (C)

Prime Minister Blair:

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P1/(b)(1)

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P1/(b)(1)

The President: We have made an attempt to address this within NATO -- the European Security and Defense Identity. Except for AFSOUTH we are happy with that. And we are trying to work out AFSOUTH. (C)

On the Middle East, Saddam has literally violated the no-fly zone. We would be stupid to take action against those flights that 99 percent of the world think are okay. But the UN resolutions are at stake; we have to do something about his challenge of the no-fly zone. Our idea is that he can have as many humanitarian flights as he wants but we need to have advance notice. The only problem is that if you tell him that and he does not comply, you have to respond. That puts a burden on us. But if we believe in the UN resolutions, it is the best we can do. (C)

Ambassador Crowe: Shoot them down? (C)

The President: No. We want to avoid deaths and especially deaths of civilians. I don't want to comment because we have not defined it yet. We will get credit with world opinion for permitting humanitarian flights and it is reasonable to demand notification. (C)

Prime Minister Blair:

P1/(b)(1)

(C)

Ambassador Kerr:

P1/(b)(1)

P1/(b)(1)

Mr. Berger: There has been a refinement in our thinking. A conversation between our two militaries produced a range of options. (C)

The President: This is not a question of how to win, but how to avoid a loss. There is no way to win with world public opinion but we are not prepared to let Saddam walk away from the resolutions. We are not looking for a victory; this is not like our response to the attempt on President Bush's life. There is a sanctions committee in the UN but we don't trust them. We don't want him to think he can sucker punch us into shooting down innocent civilians. (C)

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Mr. Holmes:

P1/(b)(1)

P1/(b)(1)

Prime Minister Blair:

P1/(b)(1)

Mr. Budd:

P1/(b)(1)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

Mr. Berger: If he knocks and a door opens, he will knock again next time. (C)

The President: Whatever we do, even if it is less, we must do it together. (C)

Ambassador Crowe: I wonder what his lawyers are telling him? (C)

The President: I concur with your analysis on Iran. It is imperative we stay together. I want to discuss it on its merits, not in terms of money. Others are saying that all is well as long as they don't blow up our people, and we can all make money. But we have a larger responsibility. You know about terrorism because of the IRA. (C)

Prime Minister Blair:

P1/(b)(1)

The President: In terms of yesterday's NATO conference, there is less than meets the eye. I think what we are really doing is reorganizing ourselves to face the new challenges, getting rid of the intellectual clutter to free ourselves for the future. If you believe we need to combat proliferation, ethnic hatred and terrorism and that we need a common policy on the environment, then we have to be organized to deal with these transnational problems. The world looks to us to be honest about these problems; we may not always be right but we have to be honest. The pressure to go for the commercial benefits is enormous. (C)

Prime Minister Blair: Can we discuss China and Hong Kong? (C)

The President: We are with you on that. (C)

Prime Minister Blair:

P1/(b)(1)

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6

The President: Under the terms of the 1984 agreement, the UK and China made a deal that you asked us to endorse. The Chinese need to be seen to be honoring the "one China, two systems" deal, but they will squeeze as much as possible. Have you heard about this movie that is to be released on July 1? It is the story of how the British got Hong Kong; you do not come off well. They are doing what we did in Germany after the war, in reverse. That won't make much difference since Hong Kong is one of the most open places in the world, but it is a metaphor for how they are going to play it. (C)

We want to be helpful. We have a huge stake in trying to get China to define its greatness affirmatively rather than by dominating its neighbors and repressing divisions within. Russia is fixated on Napoleon and Hitler; their reaction to NATO expansion is visceral. It is the same with China with the crackdown in Tibet. They also see people moving to the coasts and they cannot control it. Not all their reactions are attributable to the leadership struggle; there is more to it than that. We have more leverage with Russia because of IFI programs and denuclearization funding. We have some leverage with China through the WTO, but Hong Kong is unique and we will support you. (C)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: They think we in the West are craven moneygrubbers. I told them, if we are trying to isolate you, why do we take 30-40 percent of your exports? But they think we are under such commercial pressure that we have to do that. My people will be horrified but I half hope that one house of Congress will vote against MFN to let them know our concerns are real. (C)

Mr. Berger: It would be useful to come up with agreed benchmarks such as early elections under fair conditions, civil liberties. If we are all sending the same message, it will be more effective. We are not there yet. (C)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

Mr. Steinberg: It depends what that means. (C)

Mr. Holmes:

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7

The President: We will be doing our best to stick with you -- you have a big dog in this hunt. ~~(C)~~

Ambassador Crowe: That is an Arkansas expression. (U)

The President: They hunt with dogs here too. I went beagling once. (U)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: So our officials will be sitting in front of the Red Army. ~~(C)~~

Mr. Holmes:

P1/(b)(1)

The President: We don't want to put them in a box publicly, but privately we can try to persuade them. ~~(C)~~

Mr. Berger: There will be 25,000 reporters there. The danger is that you set the bar too high with a press that wants a confrontation, as do some people in Hong Kong. If our benchmarks are not clear, we could be drawn into a confrontation. ~~(C)~~

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: The press tried to get me to comment yesterday. I ducked the question because it is not our business. I know Kohl and Chirac are for it. Kok said that there will be

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psychological problems if they do not go ahead with it. But it would be good to understand what the consequences and alternatives are. It is usually discussed at the theological level rather than in practical terms. That is what I would want to know. (C)

Prime Minister Blair:

P1(b)(1)

P1(b)(1)

Mr. Tarullo: It is difficult for us to say anything because they think we are concerned about the euro displacing the dollar as a reserve currency. (C)

The President: If it leads to lower growth, it will not be good for us or the rest of the world. At Denver we are going to talk about an Africa initiative; but if we, you and Japan don't have economic growth, we cannot help Latin America or Africa. Your position is principled; the Tories' is ideological. Yours is the best way to go forward since the theological arguments are hard to understand. (C)

Mr. Alan:

P1(b)(1)

P1(b)(1)

The President: Our labor ministers held a conference in Detroit, but it didn't accomplish much because of economic conditions. Delors put out a white paper at the time but nothing happened. I think we should acknowledge we tried it a few years ago; it is a great idea. (C)

I'd like you to come to Washington soon on an official visit.
(U)

Prime Minister Blair: I'd like to as long as I can visit New York. (U)

The President: You can. You know I am giving the commencement speech at Chelsea's school. Dan Tarullo's daughter goes there too; Chelsea says she is frighteningly smart but still nice. Seniors finish a month early so they can do a special project. Chelsea is going to be a doctor so she is at Georgetown Hospital with a surgeon. She watched a heart valve implant operation and said it was too interesting to be queasy about the sight of blood. (U)

Dan, what is your daughter's project? (U)

Mr. Tarullo: She is teaching English, but I think she is going to be a psychologist. (U)

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Ambassador Kerr: It is amazing the extent to which his daughter has a private life. (U)

The President: The press has been wonderful in honoring the request Hillary and I made to them, with one or two exceptions. Children deserve a chance to grow up in private. I think the press respected this because we did not put Chelsea in the political spotlight. (U)

We will see each other in Denver. We are staying at an old cowboy hotel. Do you know where you are staying? (U)

Prime Minister Blair: I am not sure. (U)

The President: We are arranging a dinner at a place called The Fort that specializes in buffalo meat, which is low fat. When I had lunch with Boris, he served roast pig and told me real men hack off the ears and eat them. And once he served 24 courses, including moose lips. (U)

Prime Minister Blair: It is time to get ready for the press conference. (U)

-- End of Conversation --

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

3946

June 10, 1997

MEMORANDUM FOR MR. WILLIAM J. BURNS
Executive Secretary
Department of State

SUBJECT: Memorandum of Conversation Between the President
and British Prime Minister Blair -- Exchange on
Bosnia and War Criminals (S)

The attached Memorandum of Conversation covers the exchange on
Bosnia and war criminals during the President's meeting with
British Prime Minister Blair and is provided for the information
of the Secretary of State. It must be handled only in
NODIS/GREEN LIGHT channels.



Glyn T. Davies
Executive Secretary

Attachment
Tab A Memorandum of Conversation

~~SECRET-GREEN LIGHT~~

Classified by: Glyn T. Davies

Reason: 1.5(a,d)

Declassify On: 1.6X

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2009-0816-
ms 10/12/12

~~SECRET~~THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Restricted Meeting with British Prime Minister Tony Blair - Exchange on Bosnia and War Criminals (S)

PARTICIPANTS: The President
William Crowe, Ambassador to the UK
Samuel R. Berger, Assistant to the President for National Security Affairs
Mary Ann Peters, Director for European Affairs, National Security Council (Notetaker)

Anthony Blair, Prime Minister
Sir John Kerr, Ambassador to the U.S.
John Holmes, Private Secretary to the Prime Minister
Jonathan Powell, Chief of Staff to the Prime Minister

DATE, TIME May 29, 1997, 12:00-12:30 p.m.
AND PLACE: No. 10 Downing Street, London

The President: I would like to talk about Bosnia. We had a talk in Paris with Kok, Kohl, Chirac and you. There are six things we need to work on. First, the police need help and I would appreciate it if you would take a look at that. If other aspects are going to work out, the civilian police will be a determining factor. The others are: war crimes; joint institutions; a militarily stable situation; refugee return and economic restructuring. We have made little progress on war crimes and refugee return. There seems to be consensus in the EU emerging for Westendorp; that is fine with us but we think he should have an American deputy, Jacques Klein. They would make a good team; Westendorp is a good diplomat; [REDACTED] he gets things done. (S)

We are under pressure to leave next year. The Congress may force us to; but a great deal can be done if we put the hammer down.

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Reason: 1.5(a.d)
Declassify On: 1.6x4

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2

On war crimes, it would be stupid to make decisions without more evidence. (S)

Prime Minister Blair:

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P1/(b)(1)

The President: I agree. But we sent IFOR in for one year and SFOR for one and a half; we cannot afford the perception that we plan to occupy the country permanently. What I can say is that it would be easier to make the case for staying if there is some progress. If we achieve nothing, Congress will not support it. We all want three things: Dayton implementation; to get out by the middle of next year; and not to have to go beyond the IFOR mandate to have our forces get involved in forced relocation or arresting war criminals. All three are not achievable. (S)

If we do not move, either they will go back to war or there will be separation and ratification of ethnic cleansing, with two entities possibly joining Serbia and Croatia, and a tiny Muslim state. This might not be as bad as a return to slaughter but it would not be good. (S)

Mr. Berger: It would not be viable. (S)

The President: And it would be a dangerous flashpoint for Muslim fundamentalism in Europe. (S)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

Ambassador Kerr:

P1/(b)(1)

P1/(b)(1)

Mr. Berger: Train-and-equip is part of the deal. (S)

The President: We did not take account of the economic problems; we thought Srpska would be stronger than it is. (S)

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Mr. Berger: The Dayton balance factors in Serbia, though that may not be true anymore. But if war resumed it would be true -- there would be weapons coming again from Serbia. The worst-case balance is different than the best case. ~~(S)~~

Ambassador Kerr: [REDACTED] P1/(b)(1)

[REDACTED] P1/(b)(1)

The President: Can we be more aggressive on the relocations?

~~(S)~~

Ambassador Crowe: Speaking personally, not on relocations. War criminals may be different. ~~(S)~~

Prime Minister Blair: [REDACTED] P1/(b)(1)

Ambassador Crowe: You have to guarantee their safety. ~~(S)~~

Mr. Berger: We need to look at other models and work with international agencies. ~~(S)~~

Prime Minister Blair: [REDACTED] P1/(b)(1)

[REDACTED] P1/(b)(1)

Ambassador Crowe: They hate each other. ~~(S)~~

Prime Minister Blair: [REDACTED] P1/(b)(1)

[REDACTED] P1/(b)(1)

Mr. Berger: They are three sick men: Itzebegovic and Tudjman physically and Milosevic politically. When they pass from the scene, I am not sure there is another generation ready to take over. We must push them to do what they can for themselves while we take care of things like policing. We also need a reasoned basis for a decision on war criminals. There has been no good-faith effort on the part of Srpska nor will there be with Karadzic. Dick Holbrooke made a deal with him that he would leave government, but he is still in control. He travels with 100-120 bodyguards and there are several hundred troops in Pale that would protect him. ~~(S)~~

Ambassador Crowe: If you succeed with him, the whole complexion would change. ~~(S)~~

The President: Karadzic is the "big kahuna" -- Mladic is out of power. ~~(S)~~

Prime Minister Blair: [REDACTED] P1/(b)(1)

[REDACTED] P1/(b)(1)

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Ambassador Kerr: [REDACTED] P1/(b)(1)

Mr. Berger: It is like the Mafia and he is the don. (S)

The President: You would have to arrest Croats and Muslims too.
(S)

Ambassador Kerr: [REDACTED] P1/(b)(1)
[REDACTED] P1/(b)(1)

The President: And you have to consider what you have done if the price is 100 casualties. (S)

Prime Minister Blair: [REDACTED] P1/(b)(1)
(S)

Ambassador Crowe: Using military force is not neat and tidy.
(S)

The President: We could not send swat teams because if he is guarded by 300 soldiers, they could be cut to ribbons. (S)

Ambassador Crowe: If you use the police and have the military support them? (S)

The President: That is a possibility. We need to see what the options are rather than speculate. There are lots of things I'd like to do, like a 4-minute mile, but it won't happen. If it is a 6:45 mile, we can talk about it. (S)

-- End of Conversation --

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June 9, 1997

ACTION

MEMORANDUM FOR GLYN T. DAVIES

THROUGH: ALEXANDER VERSHBOW *W*FROM: MARY ANN PETERS *JP*SUBJECT: Memorandum of Conversation of President's Meeting
with British Prime Minister Blair -- Exchange on
Bosnia and War Criminals

Attached at Tab A is the Memorandum of Conversation of the
exchange on Bosnia and war criminals during the President's
meeting with British Prime Minister Blair, May 29, 1997.

RECOMMENDATION

That you sign the memo at Tab I transmitting the Memorandum of
Conversation to the Department of State.

That the attached Memorandum of Conversation of the meeting be
filed for the record.

Approve *gbo* Disapprove _____

Attachments

Tab I Memorandum to State

Tab A Memorandum of Conversation

~~SECRET-GREEN LIGHT~~

Reason: 1.5(a, d)

Declassify On: 1.6x4

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M 10/19/12

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

3946

MEMORANDUM FOR MR. WILLIAM J. BURNS
Executive Secretary
Department of State

SUBJECT: Memorandum of Conversation Between the President
and British Prime Minister Blair -- Exchange on
Bosnia and War Criminals (S)

The attached Memorandum of Conversation covers the exchange on
Bosnia and war criminals during the President's meeting with
British Prime Minister Blair and is provided for the information
of the Secretary of State. It must be handled only in
NODIS/GREEN LIGHT channels. ~~It may also be sent to the Embassy
in London for the Ambassador and/or Deputy Chief of Mission (DCM)
only. (S)~~

Glyn T. Davies
Executive Secretary

Attachment
Tab A Memorandum of Conversation

~~SECRET GREEN LIGHT~~

Classified by: Glyn T. Davies
Reason: 1.5(a,d)
Declassify On: 1.6/4

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THE PRESIDENT HAS SEEN
2-6-98

SUMMARY POINTS TO BE MADE FOR
MEETING WITH PRIME MINISTER BLAIR

'98 FEB 4 PM 2:47

- Seek to strengthen cooperation on pressing Saddam to comply with Security Council resolutions. British involvement vital for a substantial military response if need arises.
- Your cooperation on Iran has been essential. Need you to press EU for more steps to combat Iranian terrorism and WMD, deny access to financing for large energy projects and cooperation on East-West pipeline.
- Maintain pressure on Yeltsin to crack down on missile tech transfers to Iran. We are seeing some results.
- Your actions on Bloody Sunday and other equality and rights issues are courageous and making difference in Northern Ireland. Share concerns about violence, will reinforce with Gerry Adams to keep IRA cease-fire; can you get Trimble to deal with Adams? How can we help over next months?

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Reason: 1.5 (d)

Declassify On: 01/31/08

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- We will stay in Bosnia with you, but need decrease in U.S. share of follow-on force to carry Congress. Hope that UK can stay at same numbers.
- Your double tenure at head of EU and G-8 unique opportunity. Want to work with you on Asian financial crisis and development, climate change, transnational crime and trade.
- Need EU help with developing countries to ratify Kyoto.
- Interested in pursuing Transatlantic Marketplace trade initiative. Should work further, see if possible to launch at Birmingham. Important to solve current sensitive agriculture/biotechnology issues.
- Turkey bitter after Luxembourg. Having reasonable EU-accession strategy key to support Ankara's western orientation, make progress with Cyprus, and lessen Aegean tensions.

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~~CONFIDENTIAL~~

0675

THE WHITE HOUSE
WASHINGTON

'98 FEB 4 PM 2:48

February 4, 1998

THE PRESIDENT HAS SEEN
2-6-98

MEETING WITH
PRIME MINISTER TONY BLAIR

DATE: February 5, 1998

LOCATION: Oval Dining Room/Cabinet Room

TIME: 12:10 p.m. - 2:10 p.m.

FROM: SAMUEL BERGER
GENE SPERLING
DANIEL TARULLO DKT

I. OBJECTIVES

- Update on our diplomatic efforts on Iraq, review our high threshold for any UNSC resolution, and secure commitment for British involvement in a substantial military response in event of resort to force.
- Press for additional EU steps to combat Iranian WMD and terrorism.
- Solicit Blair's view of U.S. role in bringing home agreement on Northern Ireland.
- Preview May G-8 and U.S.-EU Summits, with a focus on the Asia financial crisis and transnational crime, resolution of EU trade issues and efforts to launch a trade initiative.

II. CONTEXT OF MEETING

Prime Minister Tony Blair makes his first official visit to the United States with a Parliamentary majority so overwhelming he has little trouble pursuing Labour's agenda. Despite minor setbacks over finance issues and some visible internal disagreements over welfare policy (old versus new Labour), Blair has already delivered on creating parliamentary bodies for Scotland and Wales, on budgetary discipline, on improving Britain's standing in the European Union and on catalyzing the Northern Ireland peace process.

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Reason: 1.5(d)

Declassify On: 1/31/08

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Together with activist Foreign Secretary Robin Cook, Blair has focussed on sustaining strong U.S. ties as the UK presides over the European Union through June. Blair sees Britain's transatlantic and EU links as complementary; "strong in Europe, strong with the United States; stronger with one means stronger with the other."

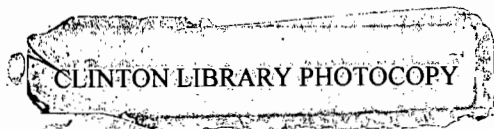
For that reason, he has fostered close cooperation on countering Iranian terrorism, on the Middle East Peace Process, on dealing with China, on the former Yugoslavia, and on climate change. Outside the EU context, Blair and his team are working intimately with us on Iraq, Northern Ireland, the whole range of NATO issues and plans for the Birmingham G-7/G-8 Summit in May.

III. AGENDA

Your formal meetings with Blair are divided between a small lunch in the Oval Dining Room and an expanded session in the Cabinet Room. You should use the restricted format to work through the more sensitive issues on the agenda: Iraq, Iran, Northern Ireland and our need for a reduced U.S. troop presence in Bosnia. Bob Rubin and Charlene Barshefsky will join you for the larger session to address G-8 and EU-related issues, with emphasis on the Asian financial situation and developing a new trade initiative with the EU.

Oval Office Dining Room

Your objective is to assure Blair's cooperation on options for dealing with Saddam Hussein. The UK is broadly in sync with us on the use of military force but still seeks a material breach resolution, and may have qualms on the size/type of military targets. The British are now sharing a new UN resolution with the French. You should let Blair know that it will only have value if it includes material breach, that we cannot support a softer resolution, and that the worst case would be to seek such a resolution and fail (the Russians seem adamant). We also need to be careful, with Turks and others visiting Baghdad, not to accept half a loaf on UNSCOM access -- UNSCOM must control any inspections at these sites. We can consider transitioning the nuclear file to monitoring, but only if the IAEA recommends it and only after Iraq has returned to an acceptable level of compliance with UNSCOM and IAEA.



You also will want to press Blair to use the EU and G-8 presidencies to move the EU closer to the United States on combating Iranian terrorism and efforts to obtain weapons of mass destruction, as well as enhanced cooperation on an East-West Caspian pipeline. Taken together, these steps could establish a predicate for a waiver of sanctions under the Iran-Libya Sanctions Act (ILSA). Blair will follow a strict line that U.S. sanctions against EU firms for investment in Iran will cause serious damage to U.S.-EU relations. The EU is doing well on nonproliferation, but disagrees on our strategy to deny Tehran access to financial resources and participation in large new energy projects. You can bring Blair up to date on our efforts to convince Russia to stop aid to Iran's missile program noting recent signs of greater Russian responsiveness.

You should use your private meeting to explain to Blair our need to show steadily declining U.S. troop presence in Bosnia, even as we commit to participate in an indefinite follow-on force. London already has heard this message and is showing signs of understanding. While it is not necessary for the UK to add troops to help fill the modest gap, it is important that Blair not reduce his presence on the ground.

Northern Ireland is heading towards a key juncture as the parties are negotiating draft parts of an agreement. Recent sectarian violence and strong reaction by the parties to the various papers have created a sense of crisis in Northern Ireland, which Blair has managed fairly adroitly. His decision to create a Bloody Sunday Tribunal has earned him points with the Nationalists, but David Trimble continues to stall on dealing directly with Adams. We plan to invite Adams to Washington following the Blair visit and will be seeking your approval for a drop-by to help freeze in place the cease-fire and get Adams to engage in substantive talks on the outline of an achievable peace agreement. You should find out from Blair how he envisions moving the talks forward. You also should encourage him to continue moving forward on the "equality" agenda, i.e. police reform, parades, fair employment, etc. He will ask for your continued support, particularly in terms of Sinn Fein cooperation and IRA maintenance of the current cease-fire.

Expanded Cabinet Room Meeting

The expanded session will cover the G-8 and U.S.-EU agendas, setting the stage for the twin Birmingham summits. There are three broad topics: Employability; Crime; and Asia Financial Crisis/Development (which also will likely cover aspects of trade and climate change). Blair shares our objectives on **labor market issues**, especially welfare-to-work. These will be core topics at the London Growth, Employability and Inclusion Conference later this month in which Bob Rubin, Alexis Herman and Gene Sperling will participate. A major objective is to get Blair's support for a common approach on resolving **the Asian financial crisis** and his commitment to push the EU to work with us in the larger finance ministers' group (which we are convening in response to your consultations with Prime Minister Goh in Vancouver) to forge a global consensus on lessons learned and how to prevent similar crises in the future. Another objective is to raise the profile of our cooperation on **fighting crime and drugs**. The UK has a real opportunity to advance this agenda as president of both forums, but it must be willing to push its European counterparts.

Blair has made it a priority to improve relations with **Turkey**, which has reacted bitterly to the Luxembourg EU summit decision to single Ankara out and impose extra conditions on its eventual EU membership. It is critical that the Turkey-EU relationship improve if we are going to get movement on Cyprus and reduce tensions in the Aegean.

You should thank Blair for Deputy Prime Minister John Prescott's leadership in getting an **agreement in Kyoto**. Now we need EU support in encouraging meaningful participation by developing countries to make ratification more likely here. Climate Change will be on the G-8 agenda as part of the Development discussion, allowing you to emphasize that the long-term solution lies in using market incentives such as joint implementation to spur private sector investment in clean development projects.

You will want to let Blair know that we are interested in working toward launching a new **Transatlantic Marketplace** trade initiative at the May U.S.-EU summit in Birmingham. Blair is expected to respond positively, but may want to proceed carefully due to French concerns over ideas generated by the European Commission to create a free trade

area in services, to remove regulatory barriers to trade and to eliminate industrial tariffs by 2010. Charlene and other Principals agree we should strive to shape a cutting-edge initiative that addresses some of the root causes of current trade disputes (possibly regulatory, agriculture, audio-visual), bolsters the global trading system and assures the highest standards of health, safety and environmental protection for our citizens. However, you should let Blair know that we have serious, lingering trade disputes in agricultural areas that need to be resolved early in the UK EU presidency if we want to avoid a serious confrontation.

IV. PARTICIPANTS

See Scenario at Tab B.

V. PRESS PLAN

See Scenario at Tab B.

VI. SEQUENCE

See Scenario at Tab B.

Attachments

Tab A Points to be Made
Tab B Scenario
Tab C Biographies
Tab D Secretary of State Memo
Tab E Press Material

SUMMARY POINTS TO BE MADE FOR MEETING WITH
BRITISH PRIME MINISTER BLAIR

- Seek to strengthen cooperation on pressing Saddam to comply with Security Council resolutions. British involvement vital for a substantial military response if need arises.
- Your cooperation on Iran has been essential. Need you to press EU for more steps to combat Iranian terrorism and WMD, deny access to financing for large energy projects and cooperation on East-West pipeline.
- Maintain pressure on Yeltsin to crack down on missile tech transfers to Iran. We are seeing some results.
- Your actions on Bloody Sunday and other equality and rights issues are courageous and making difference in Northern Ireland. Share concerns about violence, will reinforce with Gerry Adams to keep IRA cease-fire; can you get Trimble to deal with Adams? How can we help over next months?
- We will stay in Bosnia with you, but need decrease in U.S. share of follow-on force to carry Congress. Hope that UK can stay at same numbers.
- Your double tenure at head of EU and G-8 unique opportunity. Want to work with you on Asian financial crisis and development, climate change, transnational crime and trade.
- Need EU help with developing countries to ratify Kyoto.
- Interested in pursuing Transatlantic Marketplace trade initiative. Should work further, see if possible to launch at Birmingham. Important to solve current sensitive agriculture/biotechnology issues.
- Turkey bitter after Luxembourg. Having reasonable EU-accession strategy key to support Ankara's western orientation, make progress with Cyprus, and lessen Aegean tensions.

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Reason: 1.5(d)

Declassify On: 1/31/98

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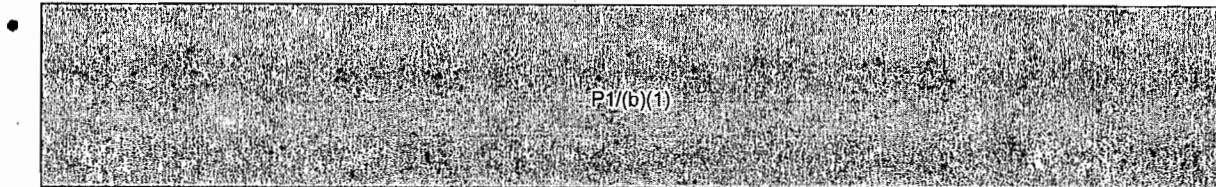
POINTS TO BE MADE FOR MEETING WITH
BRITISH PRIME MINISTER TONY BLAIR

Restricted Oval Dining Room Session

- You carry lot of weight at this time, beyond Britain: head of EU and chair of G-8. Optimal situation for us to work on Iraq, Iran, Bosnia, and strengthening U.S.-European trade and diplomacy as well as shared global leadership in dealing with the financial crisis, development and climate change.

Iraq

- Iraq is our most serious challenge. Efforts to rally key countries to meet challenge are bearing fruit.
- French public line has improved; Foreign Minister Vedrine indicated France has not ruled out use of force.



- Understand your people are sharing new resolution with French. Want to be clear that we feel it will only have value if it includes material breach and we are assured it will succeed. Skeptical.
- With Crown Prince Abdullah, Madeleine made some progress. The Saudi government needs to reflect on this for the next week before we will know how supportive they will be publicly.
- With the Russian, French, and Turkish emissaries in Baghdad, we need to guard against accepting half a loaf on access. Want to be clear about our redlines: UNSCOM must control any inspections at these sites, and UNSCOM must be able to inspect these sites adequately and without harmful limitations.
- We cannot emerge from this crisis with a weaker UNSCOM. Only acceptable outcome is a weaker Saddam.
- We can consider transitioning the nuclear file to monitoring, but only when IAEA recommends that and after Iraq has retired to an acceptable level of compliance with UNSCOM and IAEA.

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- On use of force, you and I are in synch. We are near a decision on additional aircraft and other forces necessary to be moved to the region. Your and our military people need to stay in close touch to work out potential operations.

Iran and Sanctions

- We value UK's activism on Iran issues. Welcome recent overtures from Khatami but need to see action.
- Know that Iran/ILSA is divisive for EU. I have to implement law or risk more Congressional action.
- Haven't made "sanctionability" determination of Total South Pars deal yet, but pretty clear that the deal falls under the statute. Finding "sanctionability" does not require sanctions, but to avoid them, we must have concrete steps to point to.
- Welcome your efforts to help reach EU consensus on additional measures to tighten nonproliferation controls and anti-terrorism measures.
- Maintain pressure on Yeltsin regarding missile technology transfers. Am encouraged by Russian responses to our latest round of talks, indications government more active, taking concrete steps to stop aid to Iran - but much still to do.
- Seek support on East-West Caspian energy corridor. Multiple routes reduce vulnerability.
- **If raised:** Progress on confiscated property disciplines, a key element of April 11 Understanding on Helms-Burton, should not be linked to ILSA. We're ready to work on both.

Northern Ireland

- Bloody Sunday inquiry was right and courageous thing to do.
- Progress on equality, rights important for Nationalist community. An opportunity for a "win" by the Nationalists which doesn't come at expense of Unionists.
- Share worries over violence, possible IRA reaction. Gerry Adams here in couple of weeks; will make clear we expect IRA to maintain cease-fire or serious consequences to our dealings with them. Same message to loyalists.

- Lancaster House talks made progress, but Trimble's behavior troubling. Can parties get to "yes" without Trimble engaging directly with Adams? Can we help with this?

Bosnia/SFOR

- New pro-Dayton Government in Republika Srpska will make big difference. Appreciate EU efforts to inject quick assistance for Dodik.
- Preference for follow-on force is a mission of deterrence with support for civilian implementation.
- Troop size should be similar to that of SFOR, but domestic demands require modest decline in our percentage -- from quarter to a fifth. We will still be largest contributor. Need you to stay at current levels.

Cabinet Room Session

G-8 Birmingham Summit: Jobs, Crime, Global Economic Issues

- Appreciate your support at Denver and Kyoto. Want to work with you to achieve our mutual goals in Birmingham.
- We should use Birmingham to demonstrate that high-level meetings make real difference to our citizens. Support your efforts to promote more meaningful discussion among leaders on a few critical topics.
- Look forward to engaging with you and others at Birmingham on issues of employability. We have continued advancing our agenda of preparing Americans for workforce of 21st century, addressing challenges of work and family, and easing transitions between jobs. Interesting to compare experiences on welfare to work and other reemployment policies.
- Strongly support UK efforts to coordinate G-8 and EU anti-crime initiatives. Making progress on our Denver promises will require your leadership with the Europeans.
- Our cooperation on addressing Asia financial crisis has been essential to success at stabilizing region and preventing contagion so far. Situation remains serious, meriting continued cooperative efforts.

REVISED

- Agree Birmingham provides good opportunity for G-7 to focus both on managing this crisis and preventing future crises. In the intervening months, should be working to build strong agreement around four principles:
- Countries must take responsibility for their own economic reforms. Critical to restoring investor confidence.
- Need strong IMF capable of providing resources to those countries that demonstrate serious commitment to reform. We will do our part by seeking early Congressional action on U.S. funding commitments.
- Other major economic players also have responsibilities: Japan to strengthen banking system and stimulate domestic growth; United States and Europe to encourage stable growth and continued openness; and China to maintain stable currency and open its market.
- Need to build on our efforts from Halifax to strengthen international financial system and adapt international financial institutions to address exigencies of 21st century capital markets.
- Agree with you that while we must spend time on emerging market economy issues, we cannot neglect development issues of concern to poorest countries -- such as debt, infectious diseases, etc.
- Also must reinforce open trade message to countries likely to have protectionist responses to the financial crisis.
- Understand importance of meeting U.S. funding commitments for IMF; emphasized in SOU; am seeking Congress' action early this year.
- Climate change: Kyoto was an historic step. Appreciate John Prescott's efforts there. Next challenge is encouraging meaningful participation by developing countries. Won't get ratification here without movement there. Fits nicely with the development theme - Kyoto Clean Energy Mechanism can lead to technology transfers that will help developing countries grow and fight carbon emissions.

G-8 and U.S.-EU Cooperation on Law Enforcement, Narcotics

- Need to show our publics that we have a transnational strategy to fight this growing transnational threat. Also critical to promoting stability in young democracies.
- Rest of world looks to G-8 for leadership on global issues. Birmingham Summit is key opportunity to show progress on ambitious counter-crime agenda set out in Denver. Need to demonstrate progress on high-tech crime, financial crime, asset forfeiture, firearm trafficking, and environmental crime. Also, important that we demonstrate real action against organized crime groups -- in Caribbean, in West Africa, and in Eastern Europe.
- Hope that you will use EU presidency to urge their greater cooperation in G-8 efforts. Also seek to expand relationship with EU on law enforcement and narcotics issues.
- Your help appreciated to assure cooperation in countering narcotics trafficking through Caribbean; also want to work with you on drugs and cartels in the Andean Region.
- Badly need to do more together on organized crime in Eastern Europe and Newly Independent States.

Turkey/Cyprus/Greece

- Much bitterness in Ankara after Luxembourg. EU-Turkey tensions hamper efforts to anchor Turkey to West, key to making progress on Cyprus.
- Despite common efforts, Yilmaz seems to have opted out of your European Conference.
- We will actively support your efforts to surmount problems. Turkey must do its part and improve human rights policies, address relations with Greece, and cooperate on Cyprus.
- On **Cyprus**, prospects for UN process depend on where Turkey is with EU and will require lowering of Aegean tensions. Cordovez will try to restart talks in March, but we will need to do some heavy lifting with Ankara beforehand.
- S-300 missile issue needs to be dealt with after Cypriot presidential election over.

Trade and New Transatlantic Marketplace

- Interested in pursuing European Commission's ideas for Transatlantic Marketplace initiative and look forward to working with you and the Commission to flesh out ideas.
- We should strive to tackle tough issues that will bring the U.S. and Europe closer together, while advancing ideas we can take to our trading partners in the rest of the world.
- In the meantime, important to solve the divisive agriculture issues, not just continue to postpone their resolution. Transatlantic Marketplace initiative may provide a systematic way to address new and changing relationships between science and agriculture.
- Hope to complete work necessary to launch this initiative at May U.S.-EU summit.

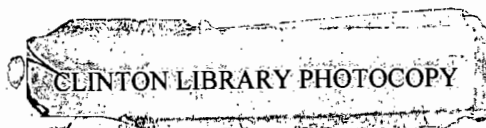
(If Raised) -- Ratification of NATO Enlargement

- Appreciated editorial by George Robertson last fall explaining what UK has done for common defense and readiness to assume a fair share for enlarging NATO.
- Sending to Hill next week for ratification. Welcome any further statements with Congress reaffirming your commitment to fair sharing of costs and of future tasks NATO faces. Using Bosnia as example would help greatly re Post-SFOR.

(If Raised) -- United Nations Issues

- UNSC expansion: Early action on Council expansion in New York, especially if controversial with Congress, would jeopardize passage of UN arrears legislation this spring. I do not intend to allow this initiative to lead to dead end.
- Arrears: Upset Congress blocked plan to pay about \$1 billion of UN arrears. Intend to get supplemental legislation passed before May. My proposal includes over \$1.0 billion in arrears payments and only those conditions that all nations would agree to -- most involving questions of national sovereignty.

(If Raised) -- HEU Uranium storage: The British Cabinet has agreed to take five kilos of Highly Enriched Uranium from Georgia after much wrangling. We had been working on this since September. Blair may convey this good news to you.

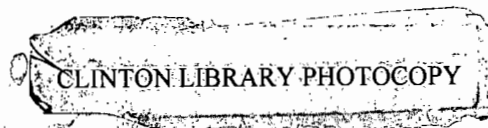


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- Welcome your decision to accept for permanent storage highly enriched uranium from Georgia.
- Excellent example of British leadership in helping to resolve a dangerous proliferation threat.
- Will ask our experts to move ahead with yours quickly.

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POINTS TO BE MADE FOR MEETING WITH
BRITISH PRIME MINISTER TONY BLAIR

Restricted Oval Dining Room Session

- As strong British leader you carry lot of weight: head of EU and chair of G-8. Optimal mix for us to work on Iraq, Iran, Bosnia^q and strengthening U.S.-European trade and diplomacy. ✓

Iraq

- (points to be supplied by NESA on Monday)

Iran and Sanctions

- We value UK's activism on Iran issues. Welcome rece overtures from Khatami but need to see action.
- Know that Iran/ILSA is divisive for EU. I have to implement law or risk more Congressional action.
- Haven't made sanctionability determination of Total South Pars deal yet, but headed that way.
- Consensus on need to tighten non-proliferation controls. Welcome your efforts to help reach EU consensus on additional measures. Access to our investment and financing resources acts as stick and a carrot: denial enhances impact of security controls and offers incentive for change.
- Maintain pressure on Yeltsin regarding missile technology transfers. Am encouraged by Russian responses to our latest round of talks, indications government more active, taking concrete steps to stop aid to Iran - but much still to do.
- Seek support on East-West Caspian energy corridor. Multiple routes reduce vulnerability.
- **If raised:** Progress on confiscated property disciplines, a key element of April 11 Understanding on Helms-Burton, should not be linked to ILSA. We're ready to work on both.

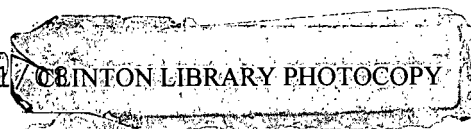
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Northern Ireland

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- Bloody Sunday inquiry was right thing to do.
- Progress on equality, rights important for Nationalist community, and their supporters here. Wonder if our own experience in civil rights, race issues could be of use?
- Share worries over violence, possible IRA reaction. Gerry Adams here in couple of weeks; will make clear we expect IRA to maintain cease-fire. Same message to loyalists.
- Lancaster House talks made progress, but Trimble's behavior troubling. Can parties get to "yes" without Trimble engaging Adams? Can we help with this?

Bosnia/SFOR

- New pro-Dayton Government in Republika Srpska will make big difference. Appreciate EU efforts to inject quick assistance for Dodik
- Preference for follow-on force is a mission of deterrence with support for civilian implementation.
- Troop size should be similar to that of SFOR, but domestic demands require modest decline -- from quarter to a fifth. Need you to stay at current levels.

Cabinet Room Session

G-8 Birmingham Summit: Jobs, Crime, Global Economic Issues

- Appreciate your support at Denver and Kyoto. Want to work with you to achieve our mutual goals in Birmingham.
- We should use Birmingham to demonstrate that high-level meetings make real difference to our citizens and support your efforts to promote more meaningful discussion among leaders on a few critical topics.
- Want to work with you to make case for active labor market issues such as pension portability, training, and welfare-to-work.
- Strongly support UK efforts to coordinate G-8 and EU anti-crime initiatives.

- Continue close coordination on Asian financial crisis. Particularly important to maintain support for open markets, helping developing countries solve problems presented by globalized economy.
- Climate change: developing countries must join in implementing commitments made at the Kyoto Climate Change Conference. Won't get ratification without movement there.

New Transatlantic Agenda: UK Priorities

- Madeleine and Robin Cook identified key priorities January 15. Important to have concrete achievements in May.
- Continue to combat drug trafficking and organized crime and to address environmental concerns.
- Give priority to more concerted action on Turkey/Cyprus and trade issues.

Asian Financial Crisis

- Your support critical for joint collaboration on resolving Asian crisis. Want your good offices in gaining Europe's receptivity to working with us in large finance ministers' group.
- Understand importance of meeting U.S. funding commitments for IMF; am seeking Congress' action early this year.
- Growing Japanese domestic economy key to Asian recovery.

Turkey/Cyprus/Greece

- Much bitterness in Ankara after Luxembourg. EU-Turkey tensions hamper efforts to anchor Turkey to West, key to making progress on Cyprus.
- Despite common efforts, Yilmaz seems opted out of your European Conference.
- We will actively support your efforts to surmount problems. Turkey must do its part and improve human rights policies, address relations with Greece, and cooperate on Cyprus.

- On **Cyprus**, prospects for UN process depends on where Turkey is with EU and will require lowering of Aegean tensions. Cordovez will try to restart talks in March, but you and we will need to do some heavy lifting with Ankara beforehand.
- S-300 missile issue needs to be dealt with after Cypriot presidential election over.

U.S.-EU Cooperation on Law Enforcement, Narcotics

- Seek to expand relationship with EU on law enforcement and narcotics issues.
- Your help appreciated to assure cooperation in countering narcotics trafficking through Caribbean; also want to work with you on drugs and cartels in the Andean Region.
- Badly need to do more together on organized crime in Eastern Europe and Newly Independent States.

Trade Issues

- Two agriculture-related issues: Specified Risk Materials and approval for bio-engineered farm goods. Realize sensitive issues in UK and EU.
- No mad cow disease in United States, no reason for ban.
- U.S. biotech corn products need approval now to avoid billion dollar showdown in coming weeks.

New Transatlantic Marketplace

- We have reviewed Commission's ideas for Transatlantic Marketplace initiative.
- Interested in pursuing this further and expect to provide our own proposals soon. Our goal should be to make Marketplace a model for trading relationships around world. It should bolster global trading system and assure highest standards of health, safety and environmental protection for our citizens.
- As we seek to advance these objectives, would you see a place for development of labor and environmental principles? These would be essential for garnering broad public and Congressional support.

- With UK support, we hope the United States and EU can begin an intensive work program that will arrive at a framework for launching negotiations at May summit.

(If Raised) -- NATO-Russia Relations

- NATO-Russia relationship on track. Will require sustained engagement by Alliance. Need Russia to play constructive role in Eastern Europe.

(If Raised) -- Ratification of NATO Enlargement

- Appreciated editorial by George Robertson last fall explaining what UK has done for common defense and readiness to assume a fair share for enlarging NATO.
- Sending to Hill next week for ratification. Welcome any further statements with Congress reaffirming your commitment to fair sharing of costs and of future tasks NATO faces. Using Bosnia as example would help greatly re Post-SFOR.

(If raised) - Landmines

- Seek your flexibility in permitting United States necessary storage, transport and use of U.S. APLs and mixed anti-tank systems for planned U.S. support to NATO operations and in Persian Gulf.
- U.S. APL and mixed systems present in NATO nations and in Diego Garcia will be self-destructing, self deactivating. They will vanish from battlefield hours or days after emplacement. Systems do not contribute to humanitarian problem Ottawa Convention was designed to correct.

(If raised) Former Yugoslavia

- We must use upcoming G-8 summit to advance our agenda in Former Yugoslavia. Should seek separate statement to highlight situation in Bosnia.
- Actions should focus on building free RS media, democratic policing, assistance to pro-Dayton forces, and support for civil-society initiatives.
- Kosovo is explosive. Milosevic's refusal to accept dialogue rules out any public initiative for now.

- Encourage EU to support tension-reducing and democracy-building programs in Kosovo; we support opening of an EU office in Pristina.
- Djukanovic's inauguration as President of Montenegro is significant. We intend to step up our efforts to support civil-society building programs there.
- UNPREDEP has contributed significantly to stability in Macedonia; conflict in Kosovo would put that stability to test. Need to continue building up Gligorov government as part of our regional strategy and assemble new international presence.

(If Raised) - United Nations Issues

- UNSC expansion: Early action on Council expansion in New York, especially if controversial with Congress, would jeopardize passage of UN arrears legislation this spring. I do not intend to allow this initiative to lead to dead end.
- Arrears: Upset Congress blocked plan to pay about \$1 billion of UN arrears. Intend to get supplemental legislation passed before May. My proposal includes over \$1.0 billion in arrears payments and only those conditions that all nations would agree to -- most involving questions of national sovereignty.

THE WHITE HOUSE

WASHINGTON

MEETING WITH
PRIME MINISTER TONY BLAIR

DATE: February 5, 1998

LOCATION: Oval Dining Room/Cabinet Room

TIME: 12:10 p.m. - 2:10 p.m.

FROM: SAMUEL BERGER
GENE SPERLING
DANIEL TARULLO

I. OBJECTIVES

- Update on our diplomatic efforts on Iraq, review our high threshold for any UNSC resolution, and secure commitment for British involvement in a substantial military response in event of resort to force.
- Press for additional EU steps to combat Iranian WMD and terrorism.
- Solicit Blair's view of U.S. role in bringing home agreement on Northern Ireland.
- Preview May G-8 and U.S.-EU Summits, with a focus on the Asia financial crisis and transnational crime, resolution of EU trade issues and efforts to launch a trade initiative.

II. CONTEXT OF MEETING

Prime Minister Tony Blair makes his first official visit to the United States with a Parliamentary majority so overwhelming he has little trouble pursuing Labour's agenda. Despite minor setbacks over finance issues and some visible internal disagreements over welfare policy (old versus new Labour), Blair has already delivered on creating parliamentary bodies for Scotland and Wales, on budgetary discipline, on improving Britain's standing in the European Union and on catalyzing the Northern Ireland peace process.

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Together with activist Foreign Secretary Robin Cook, Blair has focussed on sustaining strong U.S. ties as the UK presides over the European Union through June. Blair sees Britain's transatlantic and EU links as complementary; "strong in Europe, strong with the United States; stronger with one means stronger with the other."

For that reason, he has fostered close cooperation on countering Iranian terrorism, on the Middle East Peace Process, on dealing with China, on the former Yugoslavia, and on climate change. Outside the EU context, Blair and his team are working intimately with us on Iraq, Northern Ireland, the whole range of NATO issues and plans for the Birmingham G-7/G-8 Summit in May.

III. AGENDA

Your formal meetings with Blair are divided between a small lunch in the Oval Dining Room and an expanded session in the Cabinet Room. You should use the restricted format to work through the more sensitive issues on the agenda: Iraq, ~~and~~ Iran, Northern Ireland and our need for a reduced troop presence in Bosnia. Bob Rubin and Charlene Barshefsky will join you for the larger session to address G-8 and EU-related issues, with emphasis on the Asian financial situation and developing a new trade initiative with the EU.

Oval Office Dining Room

Your objective is to lock in Blair's cooperation ^{broadly} on options for dealing with Saddam Hussein. The UK is ~~however~~ in sync with us on the use of military force but still seeks a ~~mutual~~ breach resolution, and may have qualms on the size/type of military targets. Foreign Minister Vedrine

indicated France has not ruled out use of force, ^{but} P1/(b)(1) (3) ←

[REDACTED] e

[REDACTED] e

Madeleine made some progress with Crown Prince Abdullah. He understands need to respond to Iraq, but Saudi government needs to churn on this for the

next week. British are sharing a new UN resolution with French. You should let Blair know that it will only have

value if it includes material breach and that we ~~could~~ ^{cannot} support a softer resolution. We also need to be careful,

with Turks and others visiting Baghdad, not to accept half a loaf on UNSCOM access -- UNSCOM must control any

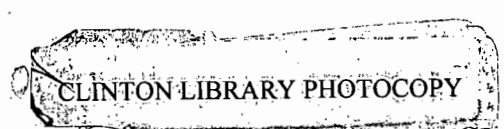
inspections at these sites. We can consider transitioning the nuclear file to monitoring, but only ~~when~~ ^{if the} IAEA recommends ~~that~~ and after Iraq has ~~retired~~ ^{returned} to an acceptable level of compliance with UNSCOM and IAEA.

^{only} You ~~will~~ also want to press Blair to use the EU and G-8 presidencies to move the EU closer to the United States on combating Iranian terrorism and efforts to obtain weapons of mass destruction, as well as enhanced cooperation on an East-West Caspian pipeline. ~~which taken together, could~~ ^{these} establish a predicate for ~~an ILSA waiver~~ ^{steps}. Blair will follow a strict line that U.S. sanctions against EU firms for investment in Iran will cause serious damage to U.S.-EU relations. The EU ~~is already~~ doing well on nonproliferation, but disagrees on our strategy to deny Tehran access to financial resources and participation in large new energy projects. You can bring Blair up to date on our efforts to convince Russia to stop aid to Iran's missile program, noting recent signs of greater Russian responsiveness.

^{your private} You should use ~~the privacy of this part of the meeting to~~ sensitize Blair to our need ~~with Congress~~ to show steadily declining U.S. troop presence in Bosnia, even as we commit to participate in an indefinite follow-on force. London ~~has already~~ heard this message and is showing signs of understanding. While it is not necessary for the UK to add troops to help fill the modest gap, it is important that Blair not seek to reduce his presence on the ground.

Northern Ireland is heading towards a key juncture ^{as the parties} ~~with~~ ^{are negotiating} drafts ~~on~~ parts of an agreement ~~under negotiation~~. Recent sectarian violence and strong reaction by the parties to the various papers have created a sense of crisis in Northern Ireland, which Blair managed fairly adroitly. His decision to create a Bloody Sunday Tribunal has earned him points with the Nationalists, but David Trimble continues to stall on dealing directly with Adams. We plan to invite Adams to Washington following the Blair visit, ~~which would include a drop-by with you (if you approve) to help freeze~~ in place the cease-fire and get Adams to engage in substantive talks on the outline of an achievable peace agreement. You should find out from Blair how he envisions moving the talks forward. You ~~should~~ also encourage him to continue moving forward on the "equality" agenda, i.e. police reform, parades, fair employment, etc. He will ask for your continued support, particularly in ~~pressing for~~ ^{terms of}

and will be seeking your approval for a drop-by



Sinn Fein cooperation and IRA maintenance of the current cease-fire.

Expanded Cabinet Room Meeting

There are

The expanded session ^{will} is to cover broadly the G-8 and U.S.-EU agendas, ~~to set~~ the stage for the twin Birmingham summits. ~~The Birmingham G-8 summit will focus on three broad topics: Employability; Crime; and Asia Financial Crisis/Development (which will also likely cover aspects of trade and climate change). Blair shares our objectives on labor market issues, especially welfare-to-work. These will be core topics at the London Growth, Employability and Inclusion Conference later this month in which Bob Rubin, Alexis Herman and Gene Sperling will participate. A major objective is to get Blair's support for a common approach on resolving the Asian financial crisis and for commitment to push the EU to work with us in the larger finance ministers' group (which we are convening in response to your consultations with Prime Minister Goh in Vancouver) in forging a global consensus on the lessons learned and how to prevent similar crises in the future. Another objective is to raise the profile of our cooperation on fighting crime and drugs in both the G-8 and U.S.-EU forums, with emphasis on taking coordinated G-8 actions, and on U.S.-EU cooperation in the Caribbean and the Andean region and Eastern Europe. The UK has a real opportunity to advance this agenda as president of both forums, but they must be willing to push their European counterparts to be more activist.~~

Setting

BOLD

has commitment

in to face

both in the G-8

Blair has made it a priority to improve relations with Turkey, which has reacted bitterly to the Luxembourg EU summit decision, ~~which singled Ankara out of the line up of aspirants and put extra conditions on its eventual EU membership. It is critical that the Turkey-EU relationship improve if we are going to get movement on Cyprus and reduce tensions in the Aegean.~~

BOLD

single to single

impose

You should thank Blair for Deputy Prime Minister John Prescott's leadership in getting an **agreement in Kyoto**. Now we ~~will~~ need and ~~expect~~ EU support in encouraging meaningful participation by developing countries to make ratification more likely here. ~~To assist this, the G-8 Sherpas have agreed that Climate Change will be discussed in the context of development at Birmingham, allowing us to emphasize that the long-term key to solving this problem~~

lies in using market incentives such as joint implementation to spur private sector investment in clean development projects.

You will want to let Blair know that we are interested in working toward launching a new **Transatlantic Marketplace** trade initiative at the May U.S.-EU summit in Birmingham. Blair is expected to respond positively, but may want to proceed carefully due to French concerns ~~about ideas~~ ^{own} generated by the European Commission to create a free trade area in services, to remove regulatory barriers to trade and to eliminate industrial tariffs by 2010. ~~Ambassador Barshefsky~~ ^{Charles} and other ~~Administration~~ Principals agree we should strive to shape a cutting-edge initiative that addresses some of the root causes ~~for~~ current trade disputes (possibly regulatory, agriculture, audio-visual), bolsters the global trading system and assures the highest standards of health, safety and environmental protection for our citizens. ^{However,} you should, ~~however,~~ let Blair know that we have serious, lingering trade disputes in agricultural areas that need to be resolved early in the UK EU presidency ~~or risk serious confrontation.~~ ^{if we want to avoid a serious confrontation}

^{However,} IV. PARTICIPANTS

See Scenario at Tab B.

V. PRESS PLAN

See Scenario at Tab B.

VI. SEQUENCE

See Scenario at Tab B.

Attachments

Tab A Points to be Made
Tab B Scenario
Tab C Biographies
Tab D Secretary of State Memo
Tab E Press Material

Exchange Mail

DATE-TIME 2/11/98 7:09:40 PM
FROM Bandler, Donald K.
CLASSIFICATION ~~SECRET~~
CLASSIFICATIONREASON 1.5(c)(d)
DATECLASSIFIEDON 02/11/1998
DECLASSIFYON 02/11/2008
SUBJECT Action Memorandum for NSC ~~[SECRET]~~
TO Marshall, Betty A.

CARBON_COPY
TEXT_BODY
TRANSLATED_ATTACHMENT 0883memcon_.doc

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Tony Blair, Prime Minister of the United Kingdom

PARTICIPANTS: The President
The Vice President
Madeleine Albright, Secretary of State
Samuel Berger, Assistant to the President
for National Security Affairs
Donald K. Bandler, Special Assistant to the
President and Senior Director for European
Affairs, Notetaker

Tony Blair, Prime Minister
John Holmes, Principal Private Secretary to
The Prime Minister
John Sawers, Notetaker

DATE, TIME AND PLACE:

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February 5, 1998, 11:00 a.m. -
Oval Office

The President: We're off to a good start, Tony. Shall we turn to Northern Ireland? How do you see the prospects for peace and how can I help? (U)

Prime Minister Blair:

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P1/(b)(1)

The President: I agree, and some others do as well, but not everyone thinks the ceasefire will hold. (U)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

Samuel Berger: Your efforts to develop the equality agenda seem to us a key in the effort to keep the Republicans in the process. (C)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

P1/(b)(1)

The President: I agree. We will continue our contacts and dialogue with Sinn
Fein. I also intend to keep seeing Trimble and the other key Unionist leaders
when they come to town. (C)

Prime Minister Blair:

P1/(b)(1)

The President: Let's turn now to Iraq. What is your assessment after your trip,
Madeleine? (C)

Madeleine Albright: The trip worked rather well. The leaders with whom I spoke
in Saudi Arabia and other Gulf states understood that the current problems are a
result of Saddam's behavior. (C)

I just spoke with Foreign Minister Vedrine, who is trying to find a compromise in
coordination with Russian efforts. Neither the French nor anyone else during my
trip suggested I return home and tell the President not to attack. They are very
concerned, see many problematic implications of military action, and would
criticize it -- but are at a loss to know how otherwise to deal with Saddam. (C)

The challenge is for us to maintain our principles and our focus on ensuring the

effectiveness of UNSCOM's mission. It is interesting that the Russians seem to have gotten Iraqi agreement that eight Presidential sites would have to be inspected. This is a small step. I think our approach will work if we stay together. Firmness is the key. (C)

The President: I agree that their willingness to open eight sites is interesting and offers some hope that our approach could lead to an acceptable formula. (C)

Samuel Berger: The trick in the next week or two is to know our own red lines and to stay firm as Iraq makes a series of small offers. We have two red lines. First is complete and ongoing access to all sites -- in contrast with Iraqi's offer yesterday of one time access. Second is that the integrity of UNSCOM as a professional, apolitical arms control organization must be maintained. For that to be credible, UNSCOM activities must be under the direction of UNSCOM leadership, not the UN Security Council or the Secretary General. Is that approach consistent with yours? (C)

Prime Minister Blair:

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P1/(b)(1)

The President:

P1/(b)(1)

P1/(b)(1)

Madeleine Albright: Vedrine's formula involved eight sites, each of which had a palace and additional buildings. The palaces would be looked at by "experts," representatives of the Security Council, and Butler in his personal capacity. All other sites would be inspected by UNSCOM plus Security Council representatives. (C)

I told him I didn't believe this would work. It does not track with our red lines requiring unlimited access over a long period of time. Under Vedrine's approach, even if the Iraqis let the team stay for a month we would not have needed guarantees for the future beyond that month. As Sandy said, things will get harder for us if and as compromise formulas appear more reasonable. (C)

Samuel Berger: They are not moving, that is okay. The difficulties will come if and when we start moving. We'll need to stay steady. (C)

The Vice President: In the meantime, we are getting new pressures, especially from Capitol Hill, to go after Saddam's head. (C)

The President: That's right, Tony, and you just heard our press making exactly that point. But that approach is nowhere near as simple as it sounds on the surface. (C)

Prime Minister Blair:

P.1/(b)(1)

P.1/(b)(1)

The President: That's what is working and will work. (C)

Prime Minister Blair:

P.1/(b)(1)

P.1/(b)(1)

The President: This is an area where some members of our Congress have it right.

Last time we went to the brink of a military action he complied with what we had demanded and the situation went back to the status quo. We can't let that happen again. Among other things, these military deployments are very expensive and disruptive to our downsized force. (C)

Therefore, any settlement package must include a clear provision to address this problem of repeated adventures with Saddam's non-compliance. One way to do that would be to insist on a The President-positioned Security Council Resolution making clear that any future non-compliance would constitute "material breach."

(C)
Madeleine Albright. I think the Russians could go along with that, but their price would be the converse: a prospect of Iraqi compliance triggering the lifting of sanctions. (C)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

John Holmes:

P1/(b)(1)

P1/(b)(1)

The President: To be clear, there is a narrow reading of the UNSC resolutions under which completion of UNSCOM's mission leads to lifting of sanctions. We have taken a broader reading that requires compliance with the other resolutions as well. I have not had to make a final determination on this question of legal interpretation. (C)

Samuel Berger: The Bush Administration's criterion for lifting was arriving at the point where Iraq had clearly shown that it was no longer a threat to its own people or internationally. In practical terms, this meant a post-Saddam regime.

(C)
We have said the criterion is Iraq compliance with all relevant UNSC resolutions.

The problem is that once sanctions are lifted, Iraq will have a \$15-20 billion revenue stream. They will use this for tanks, not childcare. So we have to be very careful where we set the bar for lifting sanctions. (C)

John Holmes:

P1/(b)(1)

P1/(b)(1)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The Vice President: Such scenarios would put a great strain on the political consensus here.

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: I heard it is an outstanding document.

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: We will work in parallel on that educational effort. Colin

Powell has been quoted as saying we are too obsessed with Saddam. If we chose the soft and easy course, like Russia has, Saddam might not respond with a missile attack on Tel Aviv or by invading Kuwait again within five years.

However, I think it likely he would become a primary provider of chemical and

biological weapons to terrorists.

So, it's just not acceptable to walk away from this problem. As Sandy said, Saddam's strategy is not an accident -- he is afraid we will get the last of his WMD stocks. Many people think our frustration is the Bush Administration not having ended the Gulf War decisively. My real focus is the future terrorist WMD threat.

Madeleine Albright: If we do a white paper, it could create a panicky reaction.

The President: But such a paper could also give us a margin of maneuver. It would show how much UNSCOM has accomplished in reducing his stocks and capacity -- but not his future potential.

Madeleine Albright: In the Arab world, they would draw a parallel to Israel's WMD capacity and question our consistency.

The President: Al, what do you think?

The Vice President: I'm worried about the scenario where he returns to the status quo ante, plus a few degrees of change. He could emerge with an enhanced position with the Arab world's radical strain. Some in Congress would wave a bloody flag: the fact that we twice paid the price of massing our forces and twice he played us for a fool.

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The Vice President: If we had a full return to compliance with the inspection regime, plus a UNSC resolution on material breach, that could sell. But if he can reserve the right to add people to UNSCOM teams or close off access to parts

of palaces, it would be unacceptable.

The President: We could have a credible package if we get the essentials of a return to compliance and a resolution making clear any future noncompliance constituted material breach justifying action by us.

Madeleine Albright: Russia and others will ask for "light at the end of the tunnel." We have to decide if we should agree to a lot of light, a little, or none at all. Agreeing to carrots would be seen as rewarding Saddam's tactics.

The Vice President: We want an Iraq with no ability to build WMD in the future.

He seeks an UNSCOM regime that will let him pursue his WMD programs. He'll negotiate for terms defining compliance as non-UNSCOM inspectors, hide and seek games, and an end to the inspection regime at a fixed point in the future.

Setting any such date and degrading UNSCOM are unacceptable.

Prime Minister Blair: [REDACTED] P1/(b)(1)

John Holmes: [REDACTED] P1/(b)(1)

[REDACTED] P1/(b)(1)

Sawers: [REDACTED] P1/(b)(1)

[REDACTED] P1/(b)(1)

The Vice President: Theoretically, there is a way ahead: Iraq's full written exception of a very intrusive regime, followed perhaps by a monitoring regime. I think he'll pretend to accept that but not respect it.

Madeleine Albright: We should consider putting in place a structure to capture Iraq's revenues and use them largely for food and medicine. This could be set up in the form of an escrow fund that also pays his debts to Kuwait, Russia and France. Various ideas along these lines are being discussed, but they

look to be
way down the line from where we are now.

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: I agree we have to be prepared to consider some relaxation of sanctions in connection with a complete inspection and monitoring regime, and a trigger back to material breach and use of force if Iraq falls out of compliance.

The Vice President: What worries me is the "98%" phrase. It could be a metaphor for a result where 98 percent of WMD stocks are eliminated but two percent remain. Sorry to mix my metaphors, but if we had someone with 98 percent of HIV eliminated, the two percent could still be a dangerous source of illness or contagion. We could be highly vulnerable to "all but two percent," which could be the equivalent of leaving in place a whole root system that could spring back to life. Again, sorry for the metaphors, but that is precisely Saddam's aim. The consequences of military action are significant, but consequences of not taking action are also serious. And the consequences of stopping short of effective action could be worse yet. You know, I actually think we are all agreeing here.

Prime Minister Blair:

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P1/(b)(1)

The President: Right, for one thing they focus on his debts to them.

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

Madeleine Albright: You have the BBC, which is listened to more than VOA, especially in the Middle East. You should get the word out.

John Holmes:

P1/(b)(1)

P1/(b)(1)

Samuel Berger: It is unrealistic to expect we can coerce Saddam to let UNSCOM back in on an acceptable basis. We've designed a military option to substantially reduce his capacity. We can't eliminate totally his stock or future potential, but we can do great damage and set Iraq back a few years. This is achievable, but it doesn't take out Saddam or force Iraq to allow UNSCOM to come back in. So, we have to make it clear to Saddam and the world that we reserve the right to come back in with force if we have evidence he is reconstituting WMD. The deterrence value of that would be helpful.

In short, we have a good start on defining achievable goals. I recognize the goals and options are not esthetically pleasing....

The President: Let's sum up what we should do in the days ahead.

Madeleine Albright: I'm talking to the Russian and French daily, and will keep on doing so. Beyond that, as we've agreed, we will stay firm over the next 10 days. We have a particular challenge with Capitol Hill. Unless you get Saddam, large numbers believe it is worthless.

Samuel Berger: That's a no lose position for them. I have asked CJCS Shelton how many forces would be needed. We'll ask Congress if they agree to deploy 400,000 on the ground.

Prime Minister Blair:

P1/(b)(1)

John Holmes:

P1/(b)(1)

P1/(b)(1)

The Vice President: If they go 98 percent of the way, we should stay steady.

Pressure will then build on the mediators and Iraq to accept the rest of what we need.

Madeleine Albright: Since we consider Saddam a liar, should we have his friends (Russia and France) co-sign?

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

Madeline Albright: But the problem is how to get what we want. We're not there yet.

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

[REDACTED] P1(b)(1)

Samuel Berger: France has proposed formula for UNSCOM plus, but this could become a lot mushier.

Prime Minister Blair: [REDACTED] P1(b)(1)

[REDACTED] P1(b)(1)

The President: Based on my reading of what Madeleine has reported, we could possibly get a material breach resolution. The issue is the price we would pay if we try and fail. But the only way not to hit them now is if we get what we want on UNSCOM as well as a resolution authorizing immediate recourse to force if there is non-compliance in the future.

Madeline Albright: How long do we want to work at this?

The Vice President: The "walk softly and carry a big stick" approach is working pretty well so far, and we've got the Olympics coming up.

John Holmes: [REDACTED] P1(b)(1)

The President: There is a chance, but France and Russia will need to be much more frustrated.

Madeline Albright: Kofi Annan is also playing on the margins, as are Turkey and Arab League negotiators. This is partly a delaying tactic.

Prime Minister Blair: [REDACTED] P1(b)(1)

[REDACTED] P1(b)(1)

Samuel Berger: Yes. An attack will not produce 100 percent results. We are minimizing collateral damage to the maximum extent possible. We plan to go after delivery systems, industrial entities (but not live BW stocks) and transport facilities. Our estimate is that this will produce a one to three year setback.

Prime Minister Blair:

P1/(b)(1)

The Vice President: We really appreciate your closeness to us.

Iran

The President: We are working hard with Russia through our special negotiating team to restrain missile proliferation. Some success has been registered, but Iran is very clever.

Tony, I recognize how difficult it can be if we invoke ILSA sanctions. To have a real chance not to do that, I need to be able to show that the EU has taken significant new steps to address Iran's support for terrorism and pursuit of WMD. One key is not to finance large-scale new energy projects; another is to work with us on an East-West Caspian energy corridor.

This issue also plays against the new dance we have with the Iranians on our relationship. We are working against a time clock. The Republican leadership in Congress has decided to embrace Prime Minister Netanyahu and his position on the peace process.

Bibi has been actively lobbying Congress on Russian missile proliferation and on ILSA. To prevail, including an ability to override a potential veto, I will need to show stepped up European action with us. I know you don't want sanctions and I don't either. It would cause you problems, and I want some elbow room to play out the prospects of improvements under Khatami. On the other side, the Israelis have a real concern that Iran would use a WMD capacity if had it and an effective means of delivery.

Prime Minister Blair:

P1/(b)(1)

John Holmes:

P1/(b)(1)

P1/(b)(1)

P1/(b)(1)

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: I don't want to weaken your position in Europe, but strengthen it by showing how we can get results on the key problems. I believe Khatami is trying to change the face and reality of Iran, but I'm uncertain whether he can do it. The issue is how hard the reactionary forces will push back over the next few years. So, I am looking for a three part formula; a tough approach to counter terrorism and WMD, effective cooperation and support for this from Europe, and margin to explore what can be done to transform Iran and our relations with them. This rests on our ability to certify that we have a strengthened common effort.

John Holmes:

P1/(b)(1)

P1/(b)(1)

The Vice President: It is not hard for us. Congress is almost ready to move on new sanctions. Bibi has a deal with parts of our Congress. He agreed to give us more time to show that our approach is working before making a full court press on the Hill. Congress doesn't always follow the lobbies, but the Hill already very focused on the missile/WMD/terrorism threat. Fortunately, there are some signs that Russia has started moving.

One danger with Khatami is that the French and others fall over themselves investing in north-south energy pipelines. This could end up strengthening Khameni's hand. Whatever the truth is, I agree with the President's analysis and note that the revolutionary forces still control the security apparatus and the street.

John Holmes:

P1/(b)(1)

Madeleine Albright: The timing is strange. We have 90 days after making a decision to consult. If something significant and visible emerges duringt that period, it would help greatly.

John Sawers:

P1/(b)(1)

P1/(b)(1)

Samuel Berger: That makes the problem no less difficult politically, and more can be done.

John Sawers:

P1/(b)(1)

P1/(b)(1)

The President: I agree, but given European desire to do large energy deals, and the history of putting commerce before proliferation concerns, we have to show an improved pattern, including France and Germany. Israel believes that within 12 months Iran can have the capacity to deliver a blow. I don't like unilateral sanctions. I also won't ever make a deal with terrorists because it proves more costly and dangerous in the end.

Tony, you and I shouldn't ever go the other route, which, in the end is an illusion. You are the only other country to really understand and respect that.

Prime Minister Blair:

P1/(b)(1)

P1/(b)(1)

The President: There are lots of possibilities in the area of economic measures. You need to look at working with us on an east-west trans caspian pipeline. This is a very big issue because a north-south pipeline gives Iran enormous geopolitical leverage for 50 years to come. An east-west pipeline is a

bit less
viable in purely commercial terms, but will pay off handsomely in
energy
security.

John Holmes:

P1/(b)(1)

P1/(b)(1)

The Vice President: Even if Khattani gains the upper hand, there are
deeply
entrenched radical elements in Iran and we face a long period of
difficult
relations. We are talking here about a very large flow of energy. The
expense
of an east-west pipeline is higher until you factor in political risk
insurance.
We favor multiple pipelines. A surge of eagerness to throw money
and deals at
Iran could create an Iranian monopoly route. We would lose the
stability of a
trans-Caspian option; and miss the opportunity for reliable pipelines
to the
Caucasian countries, China, etc.

The President: This is a major issue -- one of five or six big strategic
decisions ahead.

The Vice President: It's the "Great Game, part II."

The President: The Saudis have one of the highest percentages in the
world of
people under 18 years of age. If the political situation there were to go
bad,
and if Iran were controlling all Caspian energy flows, we could be
subject to
blackmail and paralysis. Short-sighted decisions now could be pound
foolish.

I also see Turkey's future in the West as one of the key strategic
decisions, but
we need to join our colleagues in the Cabinet Room. So let's take that
up there.

-- End of Conversation --

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Reason: 1.5(d)

Declassify On: 02/06/07